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May 5, 2011

VIA EMAIL

Ms Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
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Dear Ms Walli:

**Re: Staff Discussion Paper - Transition to International Financial Reporting Standards ("IFRS") – Implementation in an IRM Environment
Comments of Enbridge Gas Distribution Inc. ("Enbridge")
Ontario Energy Board ("Board") File No.: EB-2008-0408**

By e-mail and web posting dated March 31, 2011 the Board invited stakeholders to provide comments on Board Staff's Discussion Paper on the transition to IFRS – Implementation in an IRM Environment. Attached are the comments of Enbridge.

Yours truly,

A handwritten signature in black ink, appearing to read 'Kevin Culbert', written over a horizontal line.

Kevin Culbert
Manager, Regulatory Accounting

Attach.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, 1998,
S.O. 1998, c. 15 (Sched. B)

AND IN THE MATTER OF a Staff Discussion Paper:
Transition to International Financial Reporting Standards
(IFRS) – Implementation in an IRM Environment

**COMMENTS OF
ENBRIDGE GAS DISTRIBUTION INC.**

1. The following are the comments of Enbridge Gas Distribution Inc. (“EGD”, or the “Company”) in response to the “Staff Discussion Paper, Transition to IFRS – Implementation in an IRM Environment”.
2. EGD notes and endorses Board Staff’s proposal in regard to Issue 4, (“Should the Board permit rate applications or RRR reporting using USGAAP”). The proposal acknowledges that there may be utilities which are not required to adopt IFRS by the Accounting Standards Board of Canada (“AcSB”) and that as noted in principle 5 of the EB-2008-0408 Board Report, where such case exists, the Board would not require the use of modified IFRS by the utility for regulatory purposes. The rationale provided by Staff within the issue, includes some brief commentary about a variety of future potential impacts or issues to consider as a result of a choice or request to use USGAAP for regulatory purposes. EGD agrees that the comments highlight some elements which require consideration for allowing the use of USGAAP for regulatory purposes, however, they are not an exhaustive list and do not provide an informative or evidentiary base as to the potential benefits and issues which could arise from the use of USGAAP. EGD agrees that utilities that are not required to adopt IFRS should be able to apply to the Board for approval to use USGAAP for rate making purposes and to demonstrate the impacts, benefits and regulatory/financial issues of the potential use of USGAAP.

3. EGD supports the Board Staff proposals with respect to the eight issues as scoped in the discussion paper, and believes that they establish reasonable guidelines for the Board to expect utilities, which are required to adopt IFRS, to consider upon transitioning to IFRS within an IRM environment and relevant rate applications.
4. EGD supports the overall thrust of the discussion paper, which recognizes that while it is believed these guidelines can be applied by most utilities without significant impacts or undue financial consequences, that utilities that would experience such impacts from strict application of the guidelines will have opportunity to apply to the Board for utility specific treatment. Indication of this is found within the proposals and supporting rationale for each of Issues 2, 5, and 6.
5. EGD thanks the Board for permitting our participation and input within the working group consultation and in consideration of our comments on the discussion paper.